



DCM Boeing Seattle

Pricing and Negotiation Conference

UCA Pricing

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- ◆ **Status:** DCM Boeing Seattle often meets 14% and 86 % goals.
- ◆ **History:**
 - ◆ Consistently averaged 60% + overage UCAs;
 - ◆ Less than 10% were definitized within 180 days; and
 - ◆ Cycle time exceeded 260 days.

◆ **Background:**

- ◆ **DCM Boeing Seattle had consistently 60% + overage UCAs;**
- ◆ **Workload had rapidly changing peaks and valleys;**
- ◆ **Contractor was late in providing proposals;**
- ◆ **Subcontractor data was late;**
- ◆ **Multiple changes in the Statement of work (items to be procured); and**
- ◆ **Funding issues delayed definitization.**

◆ What did we do?

- ◆ Formed a PAT to improve the process;**
- ◆ DCM, Contractor and Buying Offices on team;**
- ◆ Each identified their process and areas for improvement;**
- ◆ Jointly identified process drivers; and**
- ◆ Revised procedures & processes.**

◆ Process drivers:

- ◆ Arrival of very large batches of PIOS on the same day;**
- ◆ Late prime & subcontractor proposals;**
- ◆ Multiple changes in the statement of work;**
- ◆ Insufficient funding;**
- ◆ Support equipment being purchased as end items;**

◆ Process drivers (continued):

- ◆ Diminishing manufacturing sources (DMS) - no one makes it;**
- ◆ Non-procurable or producible items;**
- ◆ Too many line items on a single PIO;**
- ◆ Poor coordination of workload fact-finding & negotiations;**
- ◆ Interdivisional work effort coordination.**

◆ What changed?

- ◆ Standards for proposals were agreed upon;
- ◆ Process flows were mapped & agreed to;
- ◆ Buying Offices spread PIO issuance out to even workloads;
- ◆ Negotiated rates & factors applicable to PIOs;
- ◆ Biweekly status meetings;
- ◆ Implemented a problem resolution process;

◆ **What changed? (continued)**

- ◆ **Set time frames for fact-finding & negotiation;**
- ◆ **Coordinated procureability & produceability issues;**
- ◆ **Coordinated statement of work - hold until it is correct;**
- ◆ **Batched similar UCAs for fact-finding & negotiation;**
- ◆ **Funding issues identified as they surfaced;**
- ◆ **Coordinated subcontractor issues with cognizant DCMs;**
- ◆ **Electronic access to contractor data.**

◆ Summary:

- ◆ Map and understand each player's process;**
- ◆ Negotiate rates & factors;**
- ◆ Work with the Buying Offices;**
- ◆ Set time frames for fact-finding & negotiation; and**
- ◆ Implement a problem resolution process.**